THE NATIONALISATION OF RAILWAYS

By

GEO. J. WARDLE, M.P.

ONE PENNY

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FOREWORD.

RECENT happenings in the political world have brought the question of the Nationalisation of Railways once more within the sphere of practical politics. The debate in the House of Commons on this subject on February 11th attracted public attention to this question, and the appointment of a Committee to inquire into the relation between the Railways and the State is a step forward which may have important results in respect thereto. It is therefore desirable that the case for this important reform should be set out in as plain and simple a way as possible, and it is with this object that the writer has ventured to put his views before the public. There is a mass of general information available, and a large number of books have been written upon the subject. This information I have endeavoured to condense within the limits possible in a pamphlet of this kind, but it is obvious that it is impossible to cover the whole field of argument for and against in the space available. This must be my excuse for any defects or omissions which those who are acquainted with the literature of the subject may discover.

GEO. J. WARDLE.

May, 1908.

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THE importance of railways in a civilised country cannot be exaggerated. They have become a necessity of life, just as important and just as necessary as the highways, which at one time were private property, and for the use of which passengers and others who carried goods had to pay toll, as they do on the railways of to-day. Without the railways the immense and rapid advance in industrial production, the sub-division of labour and specialisation of function which now characterise the industrial field, the vast and varied commerce and the intense life of to-day would be impossible. Railways have changed the face of nature, and modified the life of man wherever they have been adopted. They have become the highways of the nation, along whose arteries flow the products of the whole world. It is this dependence of all classes in the State upon railways which renders them of such importance, and which justifies the inquiry which this pamphlet is intended to answer. How important a part British railways play in the nation's life may be gathered from the fact that in 1906 the total capital represented was no less a sum than £1,286,883,341; that there were 23,063 miles of track open, and that they carried a total of no less than 1,240,347,000 passengers, exclusive of season-ticket holders. In the same year the amount received for the carriage of goods was £58,394,000, for passengers £49,883,000, and for miscellaneous purposes £8,951,000; a total of £117,228,000. Of this sum £44,446,000 was paid in dividends, about £23,500,000 in wages, and the remaining balance (about £49,000,000) in cost of materials, renewals, standing charges, and other working expenses.

No country has ever been able to adopt entirely the principle of *laisser faire* in regard to railways. In all countries control of some kind exists, ranging from a Commission with no compelling force behind it except public opinion (as in America) to that of absolute ownership. In the United Kingdom we have so far steered a middle course. The genius for compromise, so characteristically British, has produced our present hybrid system—a system which is neither logical nor effective. So gingerly have we treated the problems involved—the transport of goods, the carriage of passengers, and the employment of an army of workpeople—that it is safe to say that never was there more profound dissatisfaction amongst shareholders, traders, travellers, and workers than exists at the present time. Magazines and newspapers have given vent to the dissatisfaction of shareholders, traders, and travellers; threats of strike and disruption have been the mode of expression

of the workers. This general dissatisfaction is well grounded. The burden of capital grows ever greater, dividends are declining, the legitimate demands of traders are ignored, and the railway worker finds himself unable to keep pace with the progress of other workmen in the improvement of his conditions.

It is not intended in this pamphlet to discuss the history of the movement for Railway Nationalisation. There is a fairly extensive bibliography upon this subject, and the general reader who desires to pursue his investigations further is referred to a recent edition of Mr. A. Clement Edwards, M.P.'s book on "Railway Nationalisation"; Mr. W. Cunningham's (Dunfermline) book on the same subject; "National Railways," by Mr. James Hole; and "State Purchase of Railways," by Mr. Charles Waring (published by Messrs. Chapman and Hall, in 1887). Books on the other side are "State Railways," by Mr. E. A. Pratt, published P. S. King and Son; and "Railways," by Mr. E. R. McDermott, published by Messrs. Methuen and Co. As far back as 1844, the principle of State purchase of railways was embodied in Mr. Gladstone's Railway Act, and Parliament could, without further action on its part, acquire all the railways constructed since that year under the terms of that Act; but it would probably be found in practice better to reconsider the whole problem and start *de novo*.

The Question of Policy.

The question of Railway Nationalisation stands on a different plane from that of the State control of other forms of industry. It must be judged entirely on its own merits. Railways are a virtual monopoly, like roads, tramways, gas and water undertakings. Their efficient working in the interests of the nation as a whole depends on the absence of competition. "The roads of a country from the very nature of things are public concerns, and are as necessary to a people as the air they breathe." Though there are now fifty-one companies which work their own systems in a more or less complete form, there is an entire absence of competition with regard to rates and fares. Rate wars have been unknown in England for more than a generation. Just as a private tramway company holds its charter with regard to the control of the streets from a municipality, just as a private gas or water undertaking also is guaranteed a monopoly, so railway companies have been granted all their powers by Act of Parliament; and the general argument with regard to public ownership is the same in each case, with the exception that the principle is far more important so far as railways are concerned. Public ownership of monopolies, whether with regard to street transit, gas or water undertakings, has in this country proved superior to private ownership and management. It has maintained a better, a more efficient, and a cheaper service, while at the same time it has given better conditions to its workpeople than proved possible under private direction and control. It is only fair to conclude, therefore, that the change

from private to public control would be equally as efficacious and advantageous in the case of railways. But the argument in this case is even stronger, for railways are not confined in their effects to localities, but are vital to industry and agriculture throughout the whole country. The trade of a country depends not only upon the industry of its people, but on cheap and efficient means of transit, and the conditions under which that transit is carried on often determine whether a particular country or a particular trader shall fail or succeed in gaining access to a neutral market. Excessive charges for transit may be a more formidable barrier than high import duties to the development of foreign trade. In a report issued by a Royal Commission on the depression of trade in 1886, the following statement relative to the causes thereof is made: "Scarcely any have been so persistently put forward as the difficulties connected with the transport of goods." It is not possible to exactly translate this difficulty into figures, but it is an undoubted fact that railway charges in this country, owing to financial causes, are a great handicap on British trade; and "it is one of the anomalies in European commerce that while many States cling to high revenue tariffs, yet in railway tariffs, which are of greater importance than customs duties, their industry is less burdened than our own; as between each other their international and transit rates must go far to neutralise and counteract their customs." This general line of argument receives additional force from the experience which the country has gone through with regard to the carrying of letters and parcels and the management of the telegraph and telephone businesses. There are few left now who will argue that the State management of these departments has not been superior in every way and more in the interests of the country than would have been the case under private ownership and control.

The Question of Waste.

One of the main arguments in favour of a national system, publicly owned and controlled, is that the present system of company management is attended with so much waste—waste of capital, waste of management expenses, waste of energy, and waste of men's lives. The present capital accounts of the railway companies have reached their present huge total of, in round figures, £1,287,000,000, from various causes, most of which represent an immense waste. Examples of this waste are to be found in the fact, frequently quoted, that the landlords received during the early days of railways £80,000,000 in excess of the fair price of their land—a sum which, it is safe to say, they would not have been able to acquire had the land been required by the State for the same purpose. Another cause of waste has been the cost of Parliamentary promotion and the opposition to new schemes which has led the companies to fight each other when such Bills were being promoted. These promotions have involved

costs to the extent of £93,000,000 for legal expenses, which have been added to capital. The following statements, taken from Mr. Cunningham's book, are also instructive. It is stated that the London, Brighton and South-Coast Railway had to pay £4,806 per mile for Parliamentary costs, the Manchester and Birmingham Railway £5,190 per mile, and the London and Blackwall £14,414 per mile in the same way. The South-Eastern Railway had a solicitors' bill for £240,000 for carrying its Bill through Parliament, in addition to other Parliamentary expenses. The total capital figure named has also been swollen to the extent of £195,000,000 by watered stock, and it is safe to say that one-fourth of the capital of the railways is costing the country—that is, the traders, travellers, and workers—over £11,000,000 per year in interest upon what in reality was waste capital. Capital has not only been wasted in the purchase of land and the promotion of Bills, but also in the purchase of stock and the building of unnecessary stations, warehouses, receiving houses, and in various other ways. Instances of this kind could be multiplied indefinitely, of which the following are specimens: £13,000,000 was spent by six railway companies in Liverpool in providing receiving houses, etc., which involve a charge of 3s. to 4s. per ton extra upon the freight charges, in order to pay the necessary interest. The waste in the building of unnecessary stations is obvious. Probably the most conspicuous examples of this are the termini now held in London by the amalgamated companies of the South-Eastern and Chatham. Three of these are within a few yards of each other, namely, Holborn Viaduct, Ludgate Hill, and St. Paul's; and, in addition to these, the same company possesses Cannon Street, London Bridge, Charing Cross, and Victoria. The provision of these stations has involved the building of three separate bridges over the Thames at an enormous cost, and there is little wonder that this line, even with the savings which have been brought about by amalgamation, is still unable to pay reasonable interest on the capital involved. In rolling stock also, the waste involved by so many separate companies is enormous. There are five railway companies running between London and Liverpool, and one company alone has sufficient rolling stock to carry all the goods between the two points. So apparent is this waste, that 90 per cent. of the mineral wagons on one of the largest companies in the country are constantly returned empty. The average wagon capacity is ten tons. The average load carried by each wagon in Britain every twenty-four hours is only one and a half tons, and the receipts per wagon are lower in this country than in almost any other. So far reference has been made only to forms of waste which have found their way into the capital accounts of the railways; but these are of enormous importance, for the longer the problem is delayed the worse it gets. In 1870 the capital value of the railways stood at £34,000 per mile; in 1902 it had increased to £54,000 per mile; and every year sees this process going on.

Is it any wonder that the average dividend continues to decline? The statement made by Mr. Charles Waring in 1887 was prophetic. Writing on this subject he says : " Already the universal objection to State purchase is the magnitude of the operation. Statesmen think the job too big to handle. It was half the size twenty years ago; it may be double the size in another quarter of a century. The nation has probably lost a fortune of national dimensions by the postponement which has already taken place. It may lose another by further postponement." The current forms of waste can only be alluded to. There are now fifty-one companies which are allied to the Railway Clearing House. Each company has its own General Manager (some of whom are paid higher than a Cabinet Minister), its own Goods Manager, Superintendents, Accountant, and Secretary. In addition there are 250 Boards of Directors, and 3,000 separate directors, 25 of whom sit in the House of Commons and 47 in the Lords. Two hundred companies merely exist to lease their lines to larger concerns. The average pay of a director is £500 per year. The expenses of management at the present time are one of the grossest forms of waste it is possible to conceive. There is no Government Department in the world to equal it. In Prussia the control of the railways is vested in one individual, whose salary is scarcely larger than that of a single railway director on the British lines. Then there is the Railway Clearing House which is rendered necessary, and which is only necessary because there are so many different companies whose affairs have to be straightened up periodically by an army of 3,000 clerks who are employed under its auspices. All the work which is done by the Railway Clearing House would be unnecessary, or largely unnecessary, under a national system. Here is a specimen culled from the latest report of the work of the Clearing House : " To give some idea of the magnitude of the work performed by the Mileage Department, it will suffice to say that since the establishment of the Clearing House in 1842, the charge for demurrage has amounted in time to 24,000,000 days, or about 76,000 years." Demurrage is the charge for delay which is caused to wagons belonging to one line being detained on another line. Here we have an acknowledgment of waste which is simply enormous and staggering in its totality. As demurrage is chargeable at the rate of 3s. per day, this has involved a loss of £3,600,000. Of the waste which results from the running of duplicate trains, from the number of unnecessary engines and wagons, from the employment of unnecessary canvassers and touts, and advertising, it is impossible to give any conception. Suffice it to say that the annual total is enormous. The point to be remembered is that all this waste has to be paid for either by the worker, trader, or the general public. It has been computed that if the State were to take over the railways and pay a uniform dividend, it would at once, owing to the saving by centralised management, create a surplus of between £20,000,000 and

£25,000,000 per year, which would enable it to reduce fares 20 per cent., reduce railway rates 20 per cent., and increase wages 20 per cent., and still leave a sufficient balance to create a sinking fund and reduce the capital.

The Question of Rates.

The relation of the rates which are charged on goods to the question of foreign competition, has already been pointed out. Many writers and speakers, in contrasting the progress made in recent years by America and Germany, our two great trade rivals, have endeavoured to throw the responsibility for their relative greater progress upon our Free Trade system, upon trade unions, and upon the British workman generally, and little or no account has been taken of other factors in the problem, of which railways are not the least. It can be established beyond doubt that railways in this country have been, and are, one of the greatest hindrances to the trader in competing with the foreigner which exist. They have practically ruined British agriculture. Attempts have been made from time to time by Parliament to fix railway rates, and numerous Acts have been passed with this object, but the policy has been disastrous. The only people who can control rates in the long run are the people who own the railways. It is true that railway companies cannot "jump" rates, unless they can show reasonable grounds for so doing; but the representatives of the companies have lately been protesting loudly against this restriction, in consequence of the appeals which have been addressed to them by their workmen for improved wages and conditions of service. That this provision has been salutary there is little doubt, but it has been rendered largely inoperative owing to the great cost involved in bringing any case before the Railways and Canals Commission. This question of rates is a serious one, and innumerable instances could be given where they are prohibitive, and where they distinctly favour foreign competition. Mr. Balfour Browne, K.C., in a paper read before the London Chamber of Commerce on February 10th, 1897, said: "I am not exaggerating when I say that the agricultural question is nothing else but a question of railway rates." Nor must it be forgotten that it is upon agriculture that the railway blight has fallen the heaviest. It is not because the industrial population prefer Belgian rabbits, Flemish eggs, or Danish butter, that they buy them. It is because they can be obtained cheaper. The reason they can be obtained cheaper is almost entirely a question of rates. It should be pointed out that there is no competition in railway rates in this country. Rates and fares are agreed upon at conferences of the various railway companies, and these conferences decide what the rates and fares between competitive points shall be. Between non-competitive points the rate is fixed by the company alone, subject only to what is called the statutory maximum. The number and variety of these rates is legion. One company is said to have

no less than 20,000,000 of separate rates on its books, and a complete set of books for the London and North-Western Railway Company alone would fill 2,000 volumes. Contrast this with the German rate-book, which is an octavo volume of 76 pp. only. Here are a few examples: The rate for a ton of English apples from Folkestone, or any port 100 miles from London, by rail is 24s. 1d.; the carriage of a ton of apples from Normandy, in France, is 15s. 8d. The rate for foreign dead meat from Liverpool to London is 25s. per ton; British meat between the same points, 40s. per ton. A fisherman of St. Ives, in Cornwall, sent to market £15,000 worth of fish. The railway companies took £9,000 for carrying it. A box of herrings from Norway to London costs 2s., while the Scotch curer has to pay 7s. 6d. The rate for a ton of calico from Manchester to London for the home market is 40s.; if sent to the docks for export, 25s. The rate for cotton yarn delivered from Manchester to Glasgow, in the West of Scotland, is 25s. per ton; to Dunfermline, a nearer point, it is 37s. 6d. per ton. A ton of eggs from County Galway to London, Birmingham, or Nottingham, costs 90s. 10d. per ton; while from any part of Denmark the same quantity would be carried for 24s. These are only samples out of many others which might be quoted. The question of fares is just as bad. For every 14s. the London workman pays to be carried to and from his work, his *confrere* in Brussels pays 5s. 7d., in Paris 7s. 7d., in Vienna, 8s., in Berlin 8s. 4d., and in Buda-Pesth 8s. 5d. On the average the London workman has to pay 78 per cent. more for his fares than the foreign workman, and the same holds good both of the New South Wales and New Zealand railways. The zone system in Hungary has shown what can be done by a Government railway in reducing fares, and on nearly all the State railways the fares are lower than in England. How much longer are we to pay so heavy a price for political blundering and capitalistic rapacity, which inflict such heavy burdens upon the British public by excessive rates and high fares?

The Case of the Worker.

What of the employees under private companies? Their disabilities are many. The chief accounts in the indictment are that the wages are low, whether taken from the point of view of the amount received, or in comparison with those of workers in other industries; their hours, whether standard or abnormal, are inordinately long; the discipline under which they work is unnecessarily harsh, and the punishments are indefensibly severe. The railway companies employ altogether about 600,000 men and boys. About 300,000 of these are employed in workshops, hotels, on steamboats, and in other ways. They are composed of mechanics, fitters, blacksmiths, iron founders, plumbers, joiners and carpenters, polishers, upholsterers, labourers, etc. Nearly the whole of these men are employed upon the same terms and in the same manner as

they would be if they worked for any ordinary business firm. In some cases they are paid at the trade union rate; in others they are paid at rates fixed by the companies, and generally a little below those current in the district. They have few privileges which are not common to similar workers employed by other employers, with the exception that in some cases privilege tickets, at a quarter of the usual fare, are allowed. The remaining 300,000 men and boys are employed in the distinctive work of the railway, and it is the wages and conditions of these of which complaint is made. Recently, at great expense, the Amalgamated Society of Railway Servants conducted a census, and received returns relating to the hours and rates of pay of 259,280 railway workmen, of whom 221,690 were in England and Wales, 28,690 in Scotland, and 8,960 in Ireland. Speaking generally, the largest group in England received from 23s. to 25s. per week; the largest group in Scotland, 19s. to 20s. per week; and the largest group in Ireland, 12s. to 15s. per week. It is a remarkable fact that no less than 60 per cent. of the railway employees in Ireland are in receipt of 18s. per week or less. Divided into three groups, the railway employees included in the census are paid as follows :—

Groups.	Numbers.	Percentage.
20s. and under ...	110,930 ...	38.8
21s. to 30s.	128,810 ...	49.8
31s. and over	29,540 ...	11.4

As to hours in England and Wales, the report shows that nearly all the grades are rated at a ten-hours day, the exceptions being passenger porters and policemen—who are mostly at twelve hours—and signal fitters, who are fortunate enough to have a majority at nine hours. Shunters and signalmen are the only grades having any considerable proportion at eight hours. On the other hand, the twelve-hours' day is the rule in Scotland, except for gangers, platelayers, and signal fitters, whose day is one of ten hours. In Ireland the railways are evenly divided between the ten and twelve hours' day. The hours of signalmen are of peculiar interest, and the percentages of the three countries working for eight, ten, and twelve hours are as follows :—

	England.	Scotland.	Ireland.
8 hours	41	31	12
10 hours	44	33	40
12 hours	15	36	48

In respect to pay for overtime, "it is worthy of note," the report says, "that, taking the whole United Kingdom, 48 per cent. of those who gave particulars received only time rates for overtime, while 44 per cent. received time and a quarter, or more—8 per cent. receiving nothing at all." Nearly 10,000 received no extra pay when working on Sunday.

It should be explained that railwaymen have no Saturday half-holiday, and that where it is stated the hours are so many per day, it means, as a rule, for six days in the week; so that a person

working ten hours per day works sixty hours per week, and a person working twelve hours per day works seventy-two hours for a normal week. These figures, of course, apply only to the normal working day, but there are a large number of railwaymen whose hours exceed the normal day. A return recently published shows that in October of 1907, in six grades alone there were 116,023 cases of men who worked over twelve hours per day in the following proportions :—

13 hours	68,394
14 hours	28,411
15 hours	11,201
16 hours	4,596
17 hours	1,884
18 hours and over	1,537

The above shows an excess of 196,845 hours overtime. An argument frequently used against Nationalisation is, that by preventing waste and unifying the management it would throw a great many of these men out of employment. The argument is entirely worthless. The usual time which a man is employed in the Government service is for eight hours a day only; and if an eight-hours day were instituted on railways, it would mean the employment of 68,782 more persons, in order to reduce the normal day to one of eight hours, and 9,462 more to obviate the overtime to which reference has been made. It is therefore true to assert that more men would be required to deal with the transport part of the work, and less would be employed in clerical or management duties. One of the greatest results of Nationalisation would be the combination of the railways of the country with the Post Office. It would thus be possible to make every railway booking-office a depôt for stamps, postal orders, telegraphs, and all the various works which are at present carried out by the Post Office, in addition to enabling the Government to effect great savings in the amounts now paid for the carriage of mails. Another question of great importance to the employee is his safety of life or limb. During the eight years between 1899 and 1906 4,141 men were killed and 119,003 were injured. America, which is the Mecca of private ownership, and the champion of competitive methods, has the largest death roll in the world. Even Senator Rayner, of Maryland, admits that a lesser number of accidents occur on railways under Government ownership, though personally he is opposed to the principle. In this country various Regulation Acts have been passed to compel attention to the safety both of the travelling public and of the employees. In nearly every instance reform in this direction has had to be forced upon the railway companies, which in itself is a sufficient testimony to the necessity for their acquisition by the State. The difficulty of compelling companies to adopt the necessary precautions to protect their workpeople has proved even greater than that of making them protect the public; and with regard to the latter Sir Francis

Channing, M.P., has forcibly and truthfully said: "It took over twenty years of repeated and ghastly demonstrations of urgent necessity to get the Act of 1889 carried, which gave the Board of Trade power to insist that there should be proper block working and signal arrangements, and that trains should have safe brakes. It was only after nearly three hundred little innocents, on their way from Armagh to a joyous summer holiday, were slain or maimed by the failure of a brake, which the secretary of the company had promised to do away with fifteen years before, on the occasion of a slighter accident, that the State stepped in and did its duty."

It is safe to say that in all these cases, with reference to wages, hours, and safety regulations, the State could not allow matters to remain as they are at present. Immense improvements would have to be made in order to satisfy not only the legitimate demands of the workers, but the conscience of the country. The objection which is sometimes taken to public ownership on the ground that the political power of the workers would be used simply for their own special benefit, and against the interests and general well-being of the country, has no foundation in fact. There is no conspicuous example of any instance where such pressure has been successfully brought to secure conditions which are in any way more than adequate for the responsibility of the work performed. The change to public ownership, so far as the workers are concerned, would be beneficial; and, so far as the public is concerned, the risks would be few.

The Trend of Events.

That the principle of competition upon which the railways were originally founded has broken down is beyond dispute. The reckless waste in promotion, in building competing lines, has caused the companies to combine. The 815 railway companies of 1845 now stand at 51. One railway line after another was sanctioned in the early days, in the futile expectation of artificially securing competition; but as Robert Stephenson once said, "where combination is possible, competition is impracticable." The law of self-preservation has forced the companies to combine, and the processes of amalgamation, of agreements, of pooling, and running powers over each other's lines, subsidies and leases, have been going on for years, until in many cases it is almost impossible to define where one company's line begins and another company's ends. The possibilities of combination and of unification have not yet been exhausted, and there is scarcely a day passes where some new arrangement of this kind is not either announced as completed or projected. The whole trend of modern railway working is towards combination; but it must not be forgotten that unified management under private ownership, whether of one huge trust or of three or four large systems, would mean a huge combination of interests distinct from those of the public. Such a prospect is

the only alternative to Nationalisation, and it is too appalling to contemplate. It would place the whole of the fortunes of the traders of the country at the mercy of a few men. Waste can only be eliminated by combination. Combination inevitably means monopoly, and the question which has to be faced is whether this monopoly is to be allowed to continue as a private force, controlled by those having no interests apart from it, or by the public in the interests of the whole community. The interests of the 180,000 shareholders are not the only interests at stake. Under private management the railway shareholders have seen a constant and persistent decline in their dividends, and it is true to assert that it would be to their advantage to exchange a small but fixed rate of interest for the present speculative value of their shares. Every country in Europe, except Spain and Portugal, and to some extent France owns its railways. Nearly all our colonies are in the same position. India, our great dependency, has also a system of Government railways. In all these cases general satisfaction is expressed with the system, and the financial results, in nearly every instance, have justified the experiments. There is scarcely any voice, and certainly no effective amount of public opinion, which is against the public ownership of the railways in those countries where it has been adopted. In some of them—as, for instance, in Prussia—the policy has been enormously successful; whereas in this country, since 1870, the railways have handed over to private individuals a sum far in excess of the whole capital value of the railways. State ownership in Prussia has yielded huge surpluses to the national exchequer, amounting to three times the yield of the Prussian income tax, and more than double the income and property taxes put together. From 1882 to 1907—that is, twenty-five years—the grand total handed over for public service was £260,000,000, or an average of £10,000,000 per year; and when it is realised that side by side with this the rates have been lowered, the services have been improved, and the public have generally benefited, it must be admitted that public ownership has been justified by its results. The story of the Prussian railways reads almost like a romance. Judged by the results, from the public point of view, in almost every country where the system has been tried, the verdict in favour of Nationalisation is overwhelming; and seeing that in this country we shall shortly find ourselves face to face with the choice between a huge private monopoly or State control and management, the time is ripe for a statesman who will boldly grapple with this problem not in the interests of a section, but for the benefit of the whole people.

Some Objections Answered.

Mr. E. A. Pratt, to whose book reference has been made, has summarised the dangers, or, as he puts it, the primary evils of State control and management. In a word, they are: excessive centralisation, an abnormal amount of red tape, an unduly large

staff, a general lack of initiative, a want of sense of responsibility, the arbitrary fixing of rates, a delay in settling claims, a want of principle upon which such claims shall be settled, an insufficiency of rolling stock, train services, station buildings, accommodation, etc. With regard to the latter, he makes the assertion that these are all kept at a high level in the United Kingdom, and that competition enforces a prompt attention to the requirements of the public. Both these statements cannot be substantiated by anyone who has a knowledge of the facts. Some of the rolling stock is undoubtedly as good as can be found anywhere else in the world, but much of it is of a very inferior character; and as to station buildings, a large number of them are a disgrace to civilisation. The delay in settling claims, and the principles upon which they are settled, are as bad in this country as in any country in the world; while the fixing of rates is just as arbitrary and a great deal more oppressive, than in many of the countries to which reference is made by Mr. Pratt. The general statement with regard to centralisation and red tape shows an ignorance of British railways which is profound. These evils exist, and are as great in this country as in Belgium, Prussia, or any of the examples which are quoted. They are the same in kind, and it is impossible for the change from private to public ownership to make them worse. The choice is between joint-stock management, with a body of shareholders to whom directors and managers are supposed to be responsible, and State management responsible to the public. Of the two the latter is likely to be the more efficient. Most economists, from Mr. Stanley Jevons downwards, agree in asserting that joint-stock management is even more incompetent than State management, and the history of British railways certainly gives colour to that assertion. On the whole, we think the public will prefer State management, with the safeguards of Parliament, to the ineffective control of a body of shareholders, who never meet in any large numbers, and who are not even allowed the privilege of appointing their own directors.

A Final Word.

It has been established beyond dispute that the present system is wasteful, extravagant, and against the interests of the community as a whole. Private enterprise has had committed to it a great trust; it has failed to respond to that trust, and it is now time that Parliament and the people should take the matter in hand. The railways are a national concern. Properly managed there lies in them a power of development which would do much to promote trade, to aid in the solution of some of our most pressing social problems, and, above all, to find some of that money which is necessary to carry out the schemes of social reform which are the crying necessity of our time. Taken altogether, there is no reform more urgent, nor any which is more necessary in the public interest, than that of the Nationalisation of our railway systems.

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